



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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Cedar City, Utah 84720

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MAY 20 2002

DIVISION OF
OIL, GAS AND MINING

In Reply Refer To:
UT-040
3809: UTU-79732

May 16, 2002

Mr. Mark Dotson
Manager of Operations
Western Utah Copper Company
P.O. Box 492
Milford, Utah 84751

Dear Mr. Dotson:

I am writing in regard to your plan of operations for the Maria Mine, received in this office on April 15, 2002 and amended by letters of May 14, 2002, and May 16, 2002. The regulations that cover our review and processing of this plan, found at 43 CFR 3809.400, require me to contact you within 30 days of receipt of the plan and to inform you of any remaining deficiencies in the plan and the status of the plan processing.

The environmental assessment to address the impacts of this project is in preparation. As you are aware, the BLM is deferring to the State of Utah, Department of Environmental Quality, with regard to potential surface and/or ground water impacts related to the proposed plan for the tailings impoundment. The BLM intends to accept the findings of this agency in this matter and as soon as they are available they will be incorporated in the environmental assessment.

My focus until now was addressing issues I felt were fundamental to the scope and location of the project disturbances. I think we have adequately resolved those issues in prior correspondence and through your plan amendments. The following additional items will require some company response before the relevant plan content requirements found at 43 CFR 3809.411 are satisfied:

1. Explosive storage.

The plan does not identify any on-site explosive storage. I realize that once the underground mine development is well underway there will likely be an underground explosives storage area, but if it will be necessary to store explosives on-site and on the surface until that time, the plan will need to identify the location of the explosive storage area and that the operator will comply with all applicable regulations. If the explosives needed for mine development will be stored off-site on private lands and brought to the site on a daily, as-needed basis, please state this in the plan.

2. Fencing

The plan does not specifically state that the surface mill and mine facilities will be fenced. If it is the intent of WUCC to fence these surface facilities, please provide a statement to that effect.

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3. Mine abandonment

The mining plan calls for shrinkage stoping of the Maria ore-body, presumably to the surface of the existing Maria pit floor. This would result in a high-angle slot several hundred feet deep along the length of the Maria pit. I am aware that there are a number of abandoned mine features in the immediate vicinity of the project that pose similar physical hazards. However, BLM feels that some type of physical barrier, such as a fence, will need to be placed to deter public access if the proposed underground mine activity will result in a new physical safety hazard.

4. Topsoil handling & storage

The original plan contains a map, identified as sheet four, proposed topsoil storage areas. Is it WUCC's intention to utilize all three areas shown on this map, or to have BLM select one of the areas? If only one site is needed and the company is indifferent to its location, BLM would select the proposed site immediately south of the Hidden Treasure dump. It will be necessary for WUCC to seed all topsoil storage areas to reduce the potential for the topsoil to be covered by invasive or noxious weeds.

5. Reclamation plan

While reclamation and re-vegetation of all disturbed areas is implied in the plan narrative, I could find no section that addressed in detail the proposed reclamation of the project disturbances following project completion. A section detailing the reclamation plan will be needed. The plan amendment submitted May 14, 2002 calls for truck conveyance and placement of pre-dried tailings on the publically-owned land in the Hidden Treasure pit. The tailings would be shaped to a 3:1 slope on all sloped surfaces and the entire tailings area covered with a growth media. Because it is unlikely there will be surplus topsoil available from the other disturbed project areas, I presume that this growth media will be alluvium salvaged from overburden dumps created when the Hidden Treasure pit was originally stripped. If this is correct, please confirm this and identify the proposed areas where this material will be taken.

6. Interim management plan

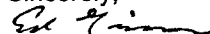
While I understand that it is not the company's intent to idle the proposed operations once underway, it is possible that unforeseen or unpredictable operational or marketing problems might require the temporary cessation of project activity. Please provide at least a generalized plan to address maintaining the project area in a safe and environmentally responsible manner, should it become necessary to suspend production operations at the site.

7. Reclamation bond estimate

I have been proceeding on the assumption that WUCC has made formal application for a large mine permit for the proposed plan with the State of Utah, Division of Oil, Gas, and Mining, and is pursuing the necessary State mine permit in parallel with BLM's processing. Because State regulations require a reclamation bond for this level of activity prior to permit issuance, BLM typically defers to the State with respect to the necessary estimate of third-party reclamation costs on which the reclamation bond amount is based. Please be aware that BLM can not grant project approval unless a reclamation bond is submitted on the full reclamation cost covering all disturbances called for in the plan of operations. If WUCC intends to pursue some form of incremental permitting of the project through the State, which would only cover portions of the disturbances in the plan of operations submitted to BLM, then it will be necessary for WUCC to prepare and submit to BLM a reclamation cost estimate following the requirements in the regulations at 43 CFR 3809.552.

If you have any questions, feel free to call me at (435) 865-3040.

Sincerely,



Ed Ginouves
Mining Engineer

xc: Tom Munson, DOGM